Manitoba Energy, Science and Technology

Supplementary Information for Legislative Review

2004-2005 Departmental Expenditure Estimates

Manitoba

104-05187/

ENERGY, SCIENCE AND TECHNOLOGY

SUPPLEMENTARY INFORMATION

FOR

LEGISLATIVE REVIEW

2004/2005 EXPENDITURE ESTIMATES

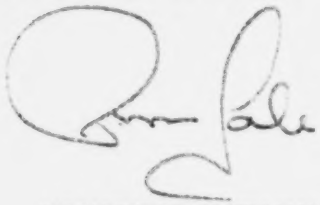
PREFACE

This document has been prepared by the Department of Energy, Science and Technology as a departmental supplement to its Printed Main Estimates. It is intended to provide background information on the department, which should complement the information contained in the Printed Main Estimates.

The contents of this supplement are organized into six parts:

- The first part provides an overview of the department's 2004/2005 budget requirements.
- The second part provides program and financial information including details of staffing requirements and expenditures. Information is organized on the basis of existing main appropriations so that it will provide an easy cross reference to the Printed Main Estimates.
- The third part provides a five-year historical budget comparison of the Department of Energy, Science and Technology.
- The fourth part provides information relating to Capital Investments.
- The fifth part includes program and financial information relating to special operating agencies.
- The sixth part provides a standard glossary of terms.

This document has been developed to assist members of the Legislature in the review of the Printed Main Estimates. It is hoped that it will provide a meaningful information supplement and that it will meet the needs of the users of the information. I welcome feedback as to the usefulness of this supplementary information.



HONOURABLE TIM SALE
MINISTER OF ENERGY, SCIENCE AND TECHNOLOGY

INDEX

PART 1	**DEPARTMENTAL OVERVIEW**	1
	Role and Mission	2
	Schedule 1 - Organization Chart	5
	Schedule 2 - Statutory Responsibilities	6
	Expenditure Summary 2004/05	
	Schedule 3 - Table, Expenditure Summary by Main Appropriation	7
	Schedule 4 - Chart, Estimates of Expenditure Percentage Distribution by Operating Division	9
	Schedule 5 - By Salaries & Employee Benefits, Other Expenditures, Capital Grants And Costs Related To Capital Assets	10
	Schedule 6 - Chart, Percentage Distribution Of Expenditures by Salaries & Employee Benefits, Operating, Grants and Amortization of Capital Assets	11
	Position Summary 2004/05	
	Schedule 7 - Chart, Staff Year Summary, Percentage Distribution of Full Time Equivalents by Operating Division	12
	Schedule 8 - Table, Full Time Equivalent Summary by Appropriation	13
	Schedule 9 - Table, Full Time Equivalent Summary by Staff Category	14
PART 2	**PROGRAM AND FINANCIAL INFORMATION**	15
	Administration and Finance	17
	Energy & Climate Change Initiatives	23
	Science, Innovation & Business Development	29
	Manitoba Information & Communication Technologies	37
	Costs Related to Capital Assets	43
PART 3	**HISTORICAL INFORMATION**	47
	Departmental Comparison 2000/01 - 2004/05	
	Schedule 10 - Five-Year Expenditure and Staffing Summary by Main Appropriation	48
	Five Year Expenditure History	
	Schedule 11 - By Operating Division	49
	Five Year Staff History	
	Schedule 12 - By Operating Division	50
	Schedule 13 - Departmental Staffing	51
PART 4	**CAPITAL INVESTMENTS**	53
PART 5	**SPECIAL OPERATING AGENCY DETAIL**	59
	Manitoba Education, Research and Learning Information Networks	60
	Industrial Technology Centre	67
PART 6	**GLOSSARY**	77

PART 1

DEPARTMENTAL OVERVIEW

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY

MINISTER

HONOURABLE TIM SALE

DEPUTY MINISTER

JOHN CLARKSON

ROLE AND MISSION

The department will build the capacity for Manitobans to prosper through innovation, by
- creating strategic partnerships;
- encouraging investment;
- enabling the right infrastructure, and access to it;
- promoting awareness and knowledge; and
- championing critical policy development.

FOCUS

The Department was established in recognition of the following:
- ***Innovation*** is key to future economic development and ***capacity to deliver*** government initiatives;
- ***Energy, science and technology*** are critical to the further development of the Manitoba economy;
- Government's need to ***focus*** economic development priorities; and
- ***Strengthen*** the approach to economic development.

The Department will:
- focus provincial innovation activities;
- assist in the growth and success of our science, research and technology assets;
- strengthen, develop, grow and attract knowledge-based industries;
- focus government information technology requirements;
- build community based partnerships through connectivity;
- focus government climate change implementation plans;
- strategically develop Manitoba's energy resources, in co-operation with public and private sectors;
- support innovation in communities and schools;
- link response to climate change with innovation and economic success; and
- link government's own IT activities with innovation and economic development.

The Department will work collaboratively with business, individuals, government departments and communities to:
- strengthen their capacity to succeed;
- enhance the competencies they need to prosper;
- raise their profile locally, nationally and internationally; and
- foster an environment that supports sustainable economic growth.

Some of the immediate and short-term priorities for the Department are:

- create an environment conducive to the development of renewable energy technologies;
- lead coordinated development and action on the provincial implementation of Canada's Kyoto Protocol plan;
- optimize community participation and benefits from upcoming Manitoba Hydro development projects;
- optimize value for sale of hydro power to other jurisdictions;
- seek federal program cost sharing for Climate Change activities;
- ensure Manitoba's interests (economic and emissions targets) are represented in Federal Kyoto negotiations;
- maximize spin-off opportunities related to new renewable energy;
- facilitate early development of critical infrastructure centres in which the province has invested;
- facilitate development and growth of industry associations, particularly in the ICT and Life Sciences sectors;
- create an environment conducive to investment in Manitoba technology businesses;
- help Manitobans maximize opportunities from connectivity by: expanding the number of communities with access to networks, increasing bandwidth, increasing the number of computers available to communities and enhancing the development of local content;
- seek improved Federal-Provincial research partnering support;
- continue to facilitate increased capacity at Manitoba research institutions;
- leverage and co-ordinate the government's investment in ICT to ensure best value from investment and maximum economic and community development opportunities;
- continue to develop strategies to safeguard information;
- provide ICT planning, development and operational activities that support the major strategic directions of government as identified through departmental plans;
- strive to collaborate and share assets and approaches between departments and jurisdictions, in order to reduce duplication, improve service levels, obtain best value from assets and ultimately reduce expenditures; and
- seek strategies to improve the ease and quality of Manitobans' access to government information, programs and services.

To achieve its mission, the department is organized in four divisions:

ADMINISTRATION AND FINANCE DIVISION provides for the executive management of the department and central financial, administrative, human resources and computer support services to departmental programs.

ENERGY AND CLIMATE CHANGE INITIATIVES develops and implements energy development initiatives, climate change initiatives and economic development strategies involving hydro-electric resources and alternate energy development opportunities; includes developing, monitoring and coordinating the implementation of energy and climate change policies and initiatives and related provincial programs.

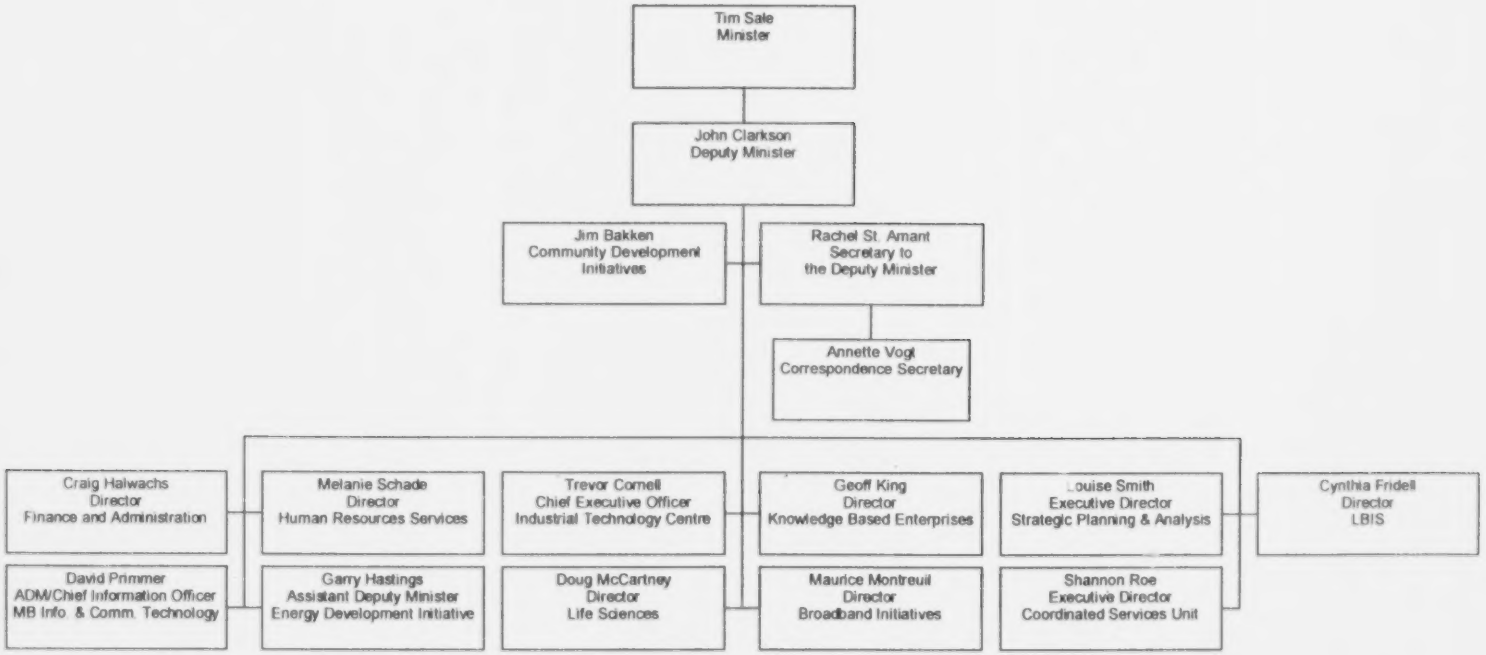
SCIENCE, INNOVATION & BUSINESS DEVELOPMENT functions as the government's primary focus for business development services to industry and communities in the areas of life sciences, knowledge enterprises, technology and infrastructure to support economic growth and stimulate employment; develops strategic plans, business plans and provides research, analysis and evaluation services; develops, analyzes and communicates policies related to innovation, research, and development, technology and telecommunications; oversees the implementation of the

Manitoba Centres of Excellence Fund and the Manitoba Research and Innovation Fund; provides a coordinating function for all research, innovation, science and technology initiatives in government;

facilitates economic development in Manitoba through the provision of industrial technology services; provides funding for health research initiatives and; provides distance education technology services for the provincial education systems.

MANITOBA INFORMATION & COMMUNICATION TECHNOLOGIES develops a comprehensive e-strategy for the province building on strengths in business, education and government community; develops key Information and Communication Technology (ICT) strategies, policies, standards and business processes to optimize the delivery of core ICT functions in support of service delivery goals; provides an information and communication technology environment within government where appropriate technologies are fully integrated with service delivery requirements; and provides analytical framework for review and approval of all ICT plans, projects and expenditures.

ENERGY, SCIENCE AND TECHNOLOGY
ORGANIZATION CHART
EFFECTIVE APRIL 1, 2004



Not reflected on this Chart:
Manitoba Health Research Council and
Manitoba Education, Research and Learning Information Networks.

SCHEDULE 1

SCHEDULE 2

STATUTORY RESPONSIBILITIES OF THE MINISTER

OF ENERGY, SCIENCE AND TECHNOLOGY

	Continuing Consolidation Chapter
The Gaming Control Act	G 5
The Gaming Control Local Option (VLT) Act	G 7
The Economic Innovation and Technology Council Act	E 7
The Energy Act	E 112
The Manitoba Health Research Council Act	H 28
The Manitoba Hydro Act	H 190
The Sustainable Development Act (as it relates to the Manitoba Climate Change Action Fund of the Sustainable Development Innovations Fund)	S270

As per Schedule "G", Order-In-Council 395/2003, and
As per Schedule "R", Order-In-Council 395/2003

SCHEDULE 3

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
EXPENDITURE SUMMARY
BY MAIN APPROPRIATION

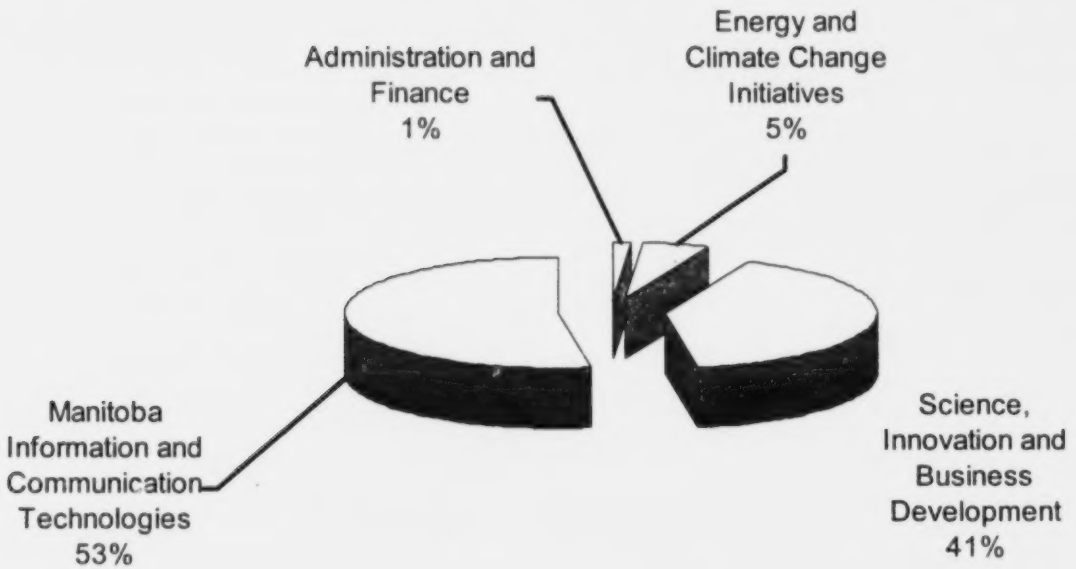
		Estimates of Expenditure 2004/2005 $(000's)	Change From 2003/2004 %	Estimates of Expenditure 2003/2004 (adjusted) $(000's)
1.	Administration and Finance	**627.4**	0.8	622.6
2.	Energy & Climate Change Initiatives	**2,159.7**	(7.0)	2,322.2
3.	Science, Innovation & Business Development	**17,920.0**	(0.6)	18,037.0
4.	Manitoba Information and Communication Technologies	**22,797.0**	(16.0)	27,134.8
5.	Amortization and Other Costs related to Capital Assets	**8,073.1**	11.0	7,270.1
TOTAL FOR ENERGY, SCIENCE AND TECHNOLOGY		**51,577.2**	(6.9)	55,386.7
CAPITAL INVESTMENT		**5,080.0**		300.0

Reconciliation Statement
$ (000's)

Printed Estimates of Expenditure 2003/04	$ 44,028.8
Transfer of functions to:	
- Industry, Economic Development and Mines	(97.0)
Allocation of funds from:	
- Legislative Assembly	9.7
- Aboriginal and Northern Affairs	10.9
- Advanced Education and Training	54.8
- Agriculture, Food and Rural Initiatives	59.7
- Civil Service Commission	6.0
- Conservation	116.2
- Culture, Heritage and Tourism	47.6
- Education, Citizenship and Youth	91.9
- Family Services and Housing	443.9
- Finance	79.1
- Health	167.7
- Healthy Child Manitoba	3.4
- Industry, Economic Development and Mines	35.3
- Intergovernmental Affairs and Trade	35.4
- Justice	106.1
- Labour and Immigration	34.7
- Seniors Directorate	1.4
- Sport	0.3
- Transportation and Government Services	155.1
- Enabling Appropriations -Internal Reform Workforce Adjustment and General Salary Increases	9,782.2
- Enabling Appropriations re: 2003/04 General Salary Increase	213.5
Estimates of Expenditure 2003/04 (Adjusted)	$55,386.7

SCHEDULE 4

2004/05 Main Estimates of Expenditures
Percentage Distribution by Operating Division


Administration and Finance 1%
Energy and Climate Change Initiatives 5%
Manitoba Information and Communication Technologies 53%
Science, Innovation and Business Development 41%

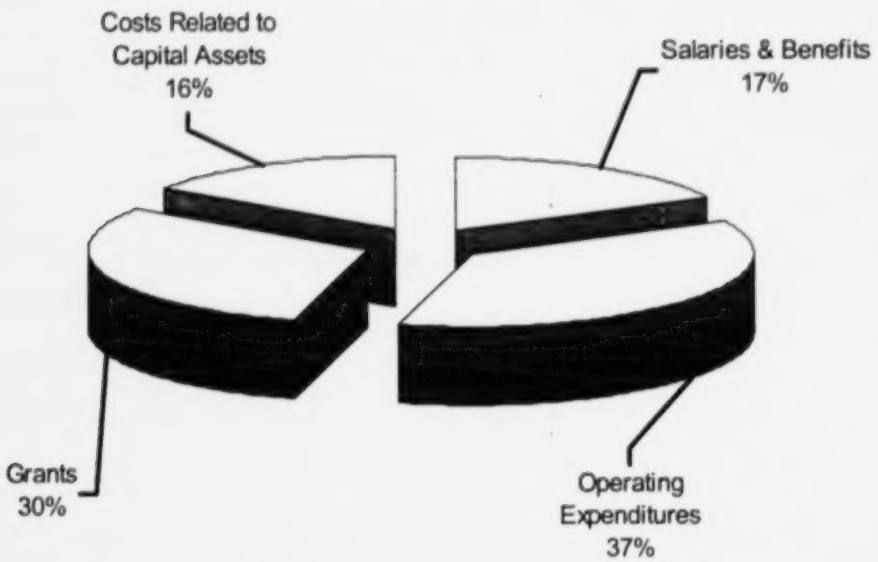
SCHEDULE 5

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
EXPENDITURE SUMMARY
BY SALARIES & EMPLOYEE BENEFITS, OTHER EXPENDITURES, CAPITAL GRANTS AND COSTS RELATED TO CAPITAL ASSETS

	ESTIMATES OF EXPENDITURE 2004/2005 $(000's)	ESTIMATES OF EXPENDITURE 2003/2004 (adjusted) $(000's)
SALARIES & EMPLOYEE BENEFITS (details on Schedule 8)	**9,007.9**	9,466.3
OTHER EXPENDITURES	**26,950.6**	30,223.9
GRANT ASSISTANCE		
Climate Change Grant Assistance	**14.3**	14.3
Industrial Technology Centre	**450.0**	750.0
Manitoba Education, Research and Learning Information Networks	**445.8**	445.8
Manitoba Centres of Excellence Fund	**556.0**	483.8
Manitoba Health Research Council	**1,952.6**	1,752.6
Manitoba Research and Innovation Fund	**12,200.0**	12,250.0
TOTAL	**51,577.2**	55,386.7

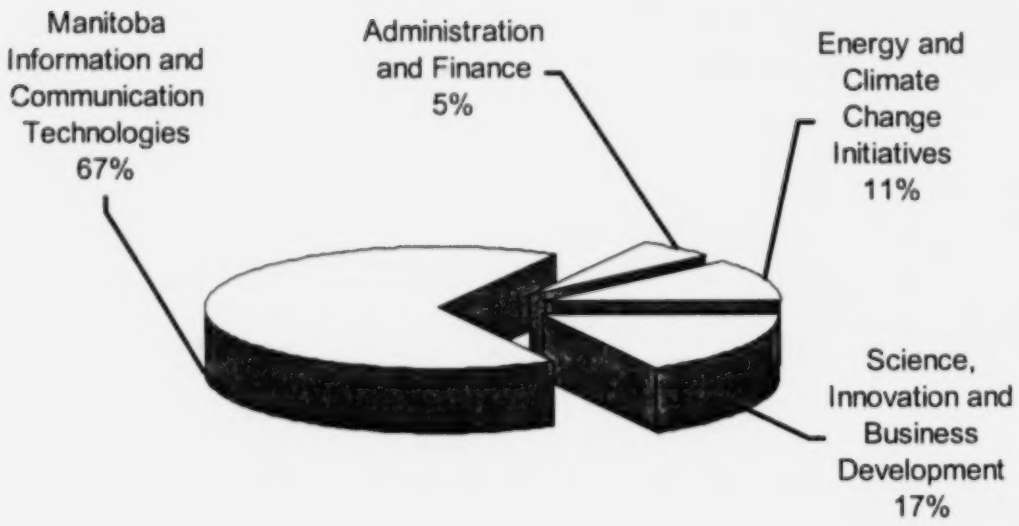
SCHEDULE 6

2004/05 Percentage Distribution of Expenditures By Salaries & Employee Benefits, Other Expenditures, Capital Grants & Costs Related to Capital Assets



SCHEDULE 7

2004/05 Staff Year Summary
Percentage Distribution of Full Time Equivalents
By Operating Division


Manitoba Information and Communication Technologies 67%
Administration and Finance 5%
Energy and Climate Change Initiatives 11%
Science, Innovation and Business Development 17%

SCHEDULE 8

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
FULL-TIME EQUIVALENT SUMMARY
BY APPROPRIATION

RES. NO.	APP. NO.	DIVISION/BRANCH	ESTIMATES OF EXPENDITURE 2004/2005 $(000's) FTE	SALARIES	ESTIMATES OF EXPENDITURE 2003/2004 (adjusted) $(000's) FTE	SALARIES
18-1	18-1	**ADMINISTRATION AND FINANCE**				
	18-1A	Minister's Salary	**1.00**	**29.4**	1.00	29.0
	18-1B	Executive Support	**6.00**	**366.8**	6.00	360.6
	18-1C	Financial & Administrative Services	-	-	-	-
		TOTAL	**7.00**	**396.2**	7.00	389.6
18-2	18-2	**ENERGY & CLIMATE CHANGE INITIATIVES**				
	18-2A	Energy & Climate Change Initiatives	**15.00**	**1,090.8**	18.00	1,259.9
	18-2B	Energy & Climate Change Initiatives	-	-	-	-
	18-2C	Grant Assistance	-	-	-	-
		TOTAL	**15.00**	**1,090.8**	18.00	1,259.9
18-3	18-3	**SCIENCE, INNOVATION & BUSINESS DEVELOPMENT**				
	18-3A	Science, Innovation & Business Development	**22.00**	**1,527.5**	22.00	1,548.7
	18-3B	Manitoba Health Research Council	-	-	-	-
	18-3C	Industrial Technology Centre	-	-	-	-
	18-3D	Manitoba Education, Research & Learning Information Networks	-	-	-	-
		TOTAL	**22.00**	**1,527.5**	22.00	1,548.7
18-4	18-4	**MANITOBA INFORMATION & COMMUNICATION TECHNOLOGIES**				
	18-4A	Manitoba Information & Communication Technologies	**74.12**	**5,123.9**	79.12	5,421.4
	18-4B	Legislative Building Information Systems	**13.00**	**869.5**	13.00	846.7
		TOTAL	**87.12**	**5,993.4**	92.12	6,268.1
18		**TOTAL FOR ENERGY, SCIENCE & TECHNOLOGY**	**131.12**	**9,007.9**	139.12	9,466.3

All salary figures, with the exception of the Minister's, include employee benefits as defined in the glossary.

SCHEDULE 9

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
FULL-TIME EQUIVALENT SUMMARY 2004-2005
BY STAFF CATEGORY

DIVISION	STAFF CATEGORIES							
	MANAGERIAL		PROFESSIONAL/ TECHNICAL		ADMINISTRATIVE SUPPORT		TOTAL	
	FTE	$000S	FTE	$000S	FTE	$000S	FTE	$000S
Administration & Finance	2.00	154.6	2.00	104.3	3.00	116.6	7.00	375.5
Energy & Climate Change Initiatives	4.00	359.6	9.00	596.1	2.00	80.7	15.00	1,036.4
Science, Innovation & Business Development	4.00	311.2	15.00	1,004.6	3.00	114.5	22.00	1,430.3
Manitoba Information & Communication Technologies	11.00	962.1	61.12	4,158.1	15.00	579.6	87.12	5,699.8
TOTAL	21.00	1,787.5	87.12	5,863.1	23.00	891.4	131.12	8,542.0

Explanation 1. Reconciliation of Salary Amounts

Total Salary Costs per above	8,542.0
Add: Employee Benefits	927.2
Less: Staff Turnover	(461.3)
Net Salary Costs per Schedule 8	**$ 9,007.9**

PART 2

PROGRAM AND FINANCIAL INFORMATION

Res. No.	Approp. No.	ENERGY, SCIENCE and TECHNOLOGY (18) Details of Appropriation	**Estimates of Expenditure 2004/2005** **$(000's)**	Estimates of Expenditure 2003/2004 (adjusted) $(000's)
18.1	1.	**ADMINISTRATION AND FINANCE**	**627.4**	622.6
		Provides for the executive management, planning and control of departmental policies and programs.		
		Administrative support is provided through the Department of Industry, Economic Development and Mines in the areas of human resource services, finance and administration and management information systems.		
		a) Minister's Salary	**29.4**	29.0
		b) Executive Support	**448.0**	443.6
		c) Financial and Administrative Services	**150.0**	150.0
			627.4	622.6

SUB-APPROPRIATIONS 18 - 1A AND 18 - 1B
MINISTER'S SALARY AND EXECUTIVE SUPPORT

OBJECTIVES:

To oversee the development and implementation of departmental policies and programs that are designed to achieve the priorities set out in the department's mission statement.

To carry out the policy decisions of the government and manage the activities of the department.

ACTIVITY IDENTIFICATION:

Activities are targeted to effectively position the department to aid Manitobans to prosper in the global, information-based economy. These activities include:

- leading and coordinating the decision-making process in the formulation, interpretation, implementation and monitoring of government policies and programs;
- ensuring that government policies are appropriately formulated, interpreted, implemented and monitored;
- providing overall policy direction for departmental programs;
- providing administrative assistance to the Minister's office.

EXPECTED RESULTS:

Effective operation of the Department of Energy, Science and Technology as reflected in the results of each branch within the department.

Effective and efficient administrative support to the offices of the Minister and Deputy Minister.

SUB-APPROPRIATION 18 - 1A
MINISTER'S SALARY

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES				
Managerial	**1.00**	**29.4**	1.00	29.0
Total Salaries	**1.00**	**29.4**[1]	1.00	29.0

1. Net increase of $0.4 was allocated for Minister's salaries to provide for the annual cost of living included in the Decisions of the Indemnities and Allowances Commission.

SUB-APPROPRIATION 18 - 1B
EXECUTIVE SUPPORT

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**1.00**	**125.2**	1.00	118.0
Professional/Technical	**2.00**	**104.3**	2.00	101.9
Administrative Support	**3.00**	**116.6**	3.00	115.0
Employee Benefits		**35.8**		40.4
	6.00	**381.9**	6.00	375.3
Less: Allowance for Staff Turnover		**(15.1)**		(14.7)
Total Salaries and Employee Benefits	**6.00**	**366.8**[1]	6.00	360.6
OTHER EXPENDITURES				
Transportation		**20.0**		20.0
Communications		**8.0**		8.0
Supplies and Services		**23.0**		23.0
Other Operating		**30.2**		32.0
Total Other Expenditures		**81.2**[2]		83.0
TOTAL SUB-APPROPRIATION	**6.00**	**448.0**	6.00	443.6

1. Net increase a result of $1.6 general salary increase, $4.6 employee benefits increase and a $2.0 increase in normal salary adjustments, offset by ($1.6) salary accrual adjustment and ($0.4) changes due to vacancy management.
2. Decrease a result of a general operating reduction.

SUB-APPROPRIATION 18 - 1C
FINANCIAL AND ADMINISTRATIVE SERVICES

OBJECTIVES:

The Financial and Administrative Services Branch provides services to the departments of Energy, Science and Technology and Industry, Economic Development and Mines and related agencies. The following objectives are in support of both departments:

- to provide high quality, timely and customer responsive administrative, financial management, computer and personnel services;
- to develop and administer appropriate administrative and financial standards, policies and procedures;
- to develop and maintain appropriate reporting systems to provide timely and accurate decision-making information to senior management in the Departments and in central agencies;
- to provide leadership, program direction and operational coordination to support department activities.

ACTIVITY IDENTIFICATION:

The Branch provides financial management, administrative, computer and human resource services including:

- processing of revenue and expenditure transactions;
- monitoring and control of expenditures, preparation of cash flow projections and the provision of financial analysis and advice;
- administration of loan programs and other agreements;
- coordination of requests for office accommodation and office equipment and services;
- provide timely and accurate information to senior decision-makers in the department and in central agencies;
- coordinate the department records management activities;
- develop and apply appropriate administrative and financial standards, policies and procedures including;
    - preparation of the annual estimates package, the estimates supplement and the annual report;
    - the provision of computer application software solutions to a variety of business problems, evaluation and acquisition of computer equipment;
    - the provision of human resource services, including: recruitment and selection, job evaluation, human resource planning, employee relations, payroll and benefit administration, and coordination of employment equity, training and development, and occupational safety and health;
    - French Language Services Policy, and the departmental administration of the Freedom of Information Act and Protection of Privacy Act.

EXPECTED RESULTS:

- Departmental policies and systems are implemented and programs delivered efficiently and effectively.
- Administrative support services are responsive to departmental and client needs and are within government policy.

ADMINISTRATION AND FINANCE

- Timely preparation of management reports on matters relating to financial, personnel, computer systems and operational support services.
- Timely and efficient representation of the department in responding to central agencies.
- Efficient response, within 30 days, to all applications under the Freedom of Information and Protection of Privacy Act - approximately 60 annually (EST & IEDM).
- Payment/revenue transactions are accurately processed.
- Authority-seeking documents are accurately processed.
- Human Resource activities for approximately 362 staff (EST - 131 & IEDM - 231) are carried out in accordance with The Civil Service Act, Manitoba Government Employees Master Agreement, Manitoba labour laws and Workplace Safety and Health Act.
- Reports are released by legislative deadline date (Departmental Annual Report tabled or released by September 30).

SUB-APPROPRIATION 18 - 1C
FINANCIAL AND ADMINISTRATIVE SERVICES

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES		**150.0**		150.0
TOTAL SUB-APPROPRIATION		**150.0**[1]		150.0

1. Recoverable to Industry, Economic Development and Mines related to shared Financial and Administrative Services function provided to Energy, Science and Technology.

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2004/2005** **$(000's)**	Estimates of Expenditure 2003/2004 (adjusted) $(000's)
18.2	2.	**ENERGY & CLIMATE CHANGE INITIATIVES**	**2,159.7**	2,322.2
		Develops and implements energy development initiatives, climate change initiatives and economic development strategies involving hydro-electric resources and alternate energy development opportunities. Includes developing, monitoring and coordinating the implementation of energy and climate change policies and initiatives and related provincial programs.		
		Energy and Climate Change Initiatives	**2,159.7**	2,322.2

SUB-APPROPRIATION 18 – 2A & 2B
ENERGY AND CLIMATE CHANGE INITIATIVES

OBJECTIVES:

- To develop and co-ordinate the implementation of government-wide renewable energy policies;
- To develop and implement government-wide economic development strategies encompassing Manitoba hydro-electric resources and alternative energy development opportunities;
- To act as a champion within the government and across the province to raise awareness and promote action on advancing our understanding of climate change impacts and adaptation as well as reducing greenhouse gas (ghg) emissions;
- To ensure that Manitoba's efforts to reduce emissions afford opportunities for investment and job creation in Manitoba economic sectors such as clean energy development;
- To advocate on behalf of Manitoba in the development of Canada's climate action plan; and
- To work with citizens, organizations, communities and businesses to develop programs that help them seize opportunities to take action on climate change and enhance their quality of life and benefit Manitoba's economy.

ACTIVITY IDENTIFICATION:

- co-ordinating development of broad provincial energy policy and small renewables policy, including ethanol, bio-diesel, wind, micro hydro and energy efficiency;
- representing government on all federal/provincial energy and climate change initiatives;
- assessing and implementing energy related provincial Climate Change Initiatives;
- providing government input into new Manitoba Hydro infrastructure (generation and transmission).
- investment attraction including participating in various industry sector trade shows, implementing advertising/promotional campaigns, company visits and working with companies on their site location activities;
- developing and implementing renewable/alternative energy (eg. hydrogen, ethanol, wind, etc.) economic development strategies;
- assessing and developing energy related programs for the retention/expansion of existing Manitoba companies;
- acting as main government liaison with Manitoba Hydro on energy economic development;
- In cooperation with Manitoba Hydro, facilitating hydroelectric power sales.
- Promote and administer the Manitoba Climate Change Action Fund (MCCAF) to support Manitobans who have innovative ideas to take action on climate change;
- Develop the policy recommendations and analysis for creation of the Manitoba Climate Trust;
- Update the Climate Change Action Plan including progress on the inventory of ghg emissions from government operations and Manitoba's impacts and adaptation strategy development;
- Conduct outreach efforts that support communities, citizens, business, industries and organizations who are working to implement climate change solutions; and
- Ensure Manitoba communities and projects that contribute to our national climate change goals are supported by the federal government through funding and Annex Agreements under the Manitoba – Canada Memorandum of Understanding for Cooperation on Addressing Climate Change.

SUB-APPROPRIATION 18 – 2A & 2B
ENERGY AND CLIMATE CHANGE INITIATIVES

EXPECTED RESULTS:

- An evaluation of a wind monitoring program;
- A preliminary evaluation of Bio-digestor operation;
- Legislation to mandate Ethanol;
- A research and development program into Ethanol co-products;
- A preliminary evaluation of the viability of bio-diesel fuel;
- A plan for new energy efficiency tools.
- Increased industrial investment in Manitoba;
- Continuous implementation of renewable/alternate energy economic development strategies for ethanol, wind and hydrogen;
- Plans for the construction of new ethanol production capacity in the province;
- Strategies for developing wind farms in Manitoba;
- Results from the Hydrogen Opportunities Report;
- Recommendations for energy related retention/expansion study;
- Provide MCCAF funding to support actions to reduce ghg emissions and to adapt to the challenges and opportunities caused by climate change;
- Delivery of the Manitoba Prairie Adaptation Research Collaborative (PARC) project, a federal-provincial cost-shared multi-stakeholder led impacts and adaptation research network including involvement in establishment of a climate change impacts and adaptation research chair at the University of Winnipeg and leveraging funding for Manitoba research;
- Representing the Province's interests and directing activities of the Climate Change Connection, Manitoba's climate change public education and outreach (CCPEO) hub;
- Negotiation of programs and new public services related to the Manitoba – Canada Memorandum of Understanding for Cooperation on Addressing Climate Change; and
- Administration of the Climate Change Community Challenge Program. C4 is intended to drive public interest in and desire for climate change programming and services.

SUB-APPROPRIATION 18 – 2A & 2B
ENERGY AND CLIMATE CHANGE INITIATIVES

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
18-2A				
SALARIES & EMPLOYEE BENEFITS				
Managerial	**4.00**	**359.6**	4.00	343.6
Professional/Technical	**9.00**	**596.1**	12.00	763.2
Administrative Support	**2.00**	**80.7**	2.00	75.9
Employee Benefits		**118.4**		132.1
	15.00	**1,154.8**	18.00	1,314.8
Less: Allowance for Staff Turnover		**(64.0)**		(54.9)
Total Salaries and Employee Benefits	**15.00**	**1,090.8**[1]	18.00	1,259.9
18-2B				
OTHER EXPENDITURES				
Transportation		**33.3**		33.3
Communications		**103.4**		103.4
Supplies and Services		**808.5**		785.6
Other Operating		**89.4**		105.7
Minor Capital		**20.0**		20.0
Total Other Expenditures		**1,054.6**[2]		1,048.0
TOTAL SUB-APPROPRIATION	**15.00**	**2,145.4**	18.00	2,307.9

1. Net decrease a result of ($0.5) salary accrual adjustment, ($13.7) employee benefits decrease, ($9.1) changes due to vacancy management, ($193.1) reduction for positions, offset by $14.9 increase in normal salary adjustments and $32.4 general salary increase.
2. Net increase due to a $72.9 ACRS (lease space) adjustment, offset by a ($50.0) adjustment for Energy and Climate Change Initiatives to be achieved by deferring new projects to 2005/06 and ($16.3) general operating adjustment.

ENERGY AND CLIMATE CHANGE INITIATIVES

SUB-APPROPRIATION 18 - 2C
GRANT ASSISTANCE

OBJECTIVES:

- To provide for analysis of energy and climate change initiatives on the Manitoba economy.

ACTIVITY IDENTIFICATION:

- Prepare analysis of energy and climate change initiatives on the Manitoba economy.

EXPECTED RESULTS:

- Analysis of energy and climate change initiatives on the Manitoba economy.

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
GRANT ASSISTANCE		**14.3**		14.3
TOTAL SUB-APPROPRIATION		**14.3**		14.3

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2004/2005 $(000's)**	Estimates of Expenditure 2003/2004 (adjusted) $(000's)
18.3	3.	**SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT**	**17,920.0**	18,037.0

Functions as the government's primary focus for business development services to industry and communities in the areas of life sciences, knowledge enterprises, technology and infrastructure to support economic growth and stimulate employment.

Develops strategic plans, business plans and provides research, analysis and evaluation services. Develops, analyzes and communicates policies related to innovation, research, and development, technology and telecommunications. Oversees the implementation of the Manitoba Centres of Excellence Fund and the Manitoba Research and Innovation Fund. Provides a coordinating function for all research, innovation, science and technology initiatives in government.

Facilitates economic development in Manitoba through the provision of industrial technology services.

Provides funding for health research initiatives.

Provides distance education technology services for the provincial education systems.

a)	Science, Innovation and Business Development	**15,071.6**	15,088.6
b)	Manitoba Health Research Council	**1,952.6**	1,752.6
c)	Industrial Technology Centre	**450.0**	750.0
d)	Manitoba Education, Research and Learning Networks	**445.8**	445.8
		17,920.0	18,037.0

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT

OBJECTIVES:

Science, Innovation and Business Development's (SIBD) objectives are to:

- develop a provincial innovation infrastructure;
- build and strengthen the research and innovation capacity within the province;
- build community capacity for sustained economic development in the new economy;
- build the capacity for new company formation, attraction and growth;
- coordinate the implementation of public policy initiatives in the areas of research, information technologies, and investments.

SIBD consists of four focus areas:

Strategic Planning and Analysis

Strategic Planning and Analysis provides policy and research support to the Department and is the lead across government on the development and implementation of policy, strategies and initiatives on innovation, science and research issues. Strategic Planning and Analysis also provides a central role for the Department of Energy, Science and Technology in areas of strategic and operational planning and organizational development. Through program support, the group acts to encourage research capacity in Manitoba and to promote science, innovation and technology careers among youth.

Knowledge Enterprises

The Knowledge Enterprises Branch works in partnership with key stakeholders to develop an innovation environment in which information communications and technology (ICT), digital media and cultural industries, customer contact centre and bioinformatics sectors can thrive.

Life Sciences

Life Sciences works with multiple public and private stakeholders to strengthen Manitoba's globally competitive life sciences cluster in the health, agri-food and environment sectors, leading to positive social and economic outcomes for all Manitobans.

Broadband Initiative

The Broadband Initiative works with the private sector and community based organizations in order to facilitate the provision of high-speed connectivity and Broadband capacity to those areas in the province where such services do not currently exist.

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT

ACTIVITY IDENTIFICATION:

Strategic Planning and Analysis

- Implement the provincial innovation and research strategies by administering funds that support research, innovation and technology, including:
  - *Manitoba Research and Innovation Fund* - The mandate is to increase the capability of Manitoba's universities, colleges, hospitals, and other not-for-profit institutions to carry out important world-class scientific research and technology development. The fund is also used to support institutional innovation activities and bring technologies to the market place.
  - *The Manitoba Centres of Excellence Fund* - The objectives of the Manitoba Centres of Excellence Fund (MCEF) are to attract and maintain world-class R&D activity in Manitoba and to generate related economic spin-off benefits for local companies and non-profit institutions.
- Administer the Manitoba Network for Science and Technology (MindSet), program which encourages students to understand the importance of science and technology and its potential for their future.
- Develop the strategic and operational plans of the department.

Knowledge Enterprises

- Focus provincial Knowledge Enterprise innovation activities through whole of government leadership and co-ordination;
- Develop Knowledge Enterprises research capacity and increase the level of technology commercialisation;
- Identify and address critical Knowledge Enterprise skills gaps;
- Address critical business development issues in coordination with industry stakeholders; and
- Ensure government's internal ICT strategies and projects capture innovation and drive economic development.

Life Sciences

- Improve the connectivity among stakeholders;
- Establish formalized linkages and research collaborations;
- Promote a "growth from within" culture in the province;
- Increase industry awareness of the Life Sciences sector;
- Establish coordinated human resource initiative;
- Establish coordinated training initiative;
- Catalyze sector convergence; and
- Advancing innovation into the health care system.

Broadband Initiative

- Work with the private sector and community based organizations in order to provide High-Speed connectivity and Broadband capacity to those areas in the province where such services do not currently exist.

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT

EXPECTED RESULTS:

Strategic Planning and Analysis

- Research and innovation frameworks and policies are created to:
  - define the key actions and principles that will guide how research, technology and innovation efforts should work;
  - align provincial government decision-making for R&D activities with provincial strategic goals;
  - align business development needs and activities with research capacities; and
  - coordinate innovation activities within and between provincial government departments.
  - partner effectively with federal government.
- The MindSet program continues to experience success through increased participation by educators and students in science and technology awareness activities.
- A strategic planning process for the department is developed and implemented.

Knowledge Enterprises

- Maintain and expand key intra-departmental linkages and teams;
- Increased Knowledge Enterprises research activity and technology commercialization;
- Work with key stakeholders to address skills issues;
- Development of an ICT specific investment attraction strategy and a complimentary plan to market Manitoba based companies; and
- ICT procurement reform strategy is developed.

Life Sciences

- Connectivity and interaction among provincial and regional stakeholders;
- Formalized linkages and research collaborations;
- Increased commercialization of Manitoba life science technologies;
- Increased international, national and provincial recognition of Manitoba's life sciences expertise, infrastructure and investment opportunities;
- Training programs in biopharmaceutical manufacturing and clinical trial research are in place;
- Expansion of Manitoba Life Sciences biopharmaceutical manufacturing capacity;
- Increased employment within Manitoba's life sciences sector; and
- Process for measuring the scope and economic outcomes from incorporating Manitoba innovative technologies into the Province's health care systems.

Broadband Initiative

- PDN schools connectivity program; and
- Increased connectivity for Manitoba's communities

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	4.00	311.2	4.00	294.2
Professional/Technical	15.00	1,004.6	15.00	1,047.8
Administrative Support	3.00	114.5	3.00	110.7
Employee Benefits		161.3		160.1
	22.00	1,591.6	22.00	1,612.8
Less: Allowance for Staff Turnover		(64.1)		(64.1)
Total Salaries and Employee Benefits	22.00	1,527.5[1]	22.00	1,548.7
OTHER EXPENDITURES				
Transportation		123.5		123.5
Communications		93.9		93.9
Supplies and Services		162.4		162.3
Other Operating		408.3		426.4
Total Other Expenditures		788.1[2]		806.1
PROGRAM DELIVERY				
Manitoba Research & Innovation Fund		12,200.0[3]		12,250.0
Manitoba Centres of Excellence		556.0[4]		483.8
		12,756.0		12,733.8
Total Program Delivery		13,544.1		13,539.9
TOTAL SUB-APPROPRIATION	22.00	15,071.6	22.00	15,088.6

1. Net decrease a result of ($68.8) reduction for positions, offset by $46.4 general salary increase and $1.2 employee benefits increase.
2. Net decrease due to a ($18.1) general operating reduction offset by a $0.1 increase in ACRS (lease space) adjustment.
3. Decrease to funding for research and innovation projects.
4. Increased funding for projects.

SUB-APPROPRIATION 18 - 3B
MANITOBA HEALTH RESEARCH COUNCIL

OBJECTIVES:

To provide program funding for health research activities.

ACTIVITY IDENTIFICATION:

- Provide funding to the Manitoba Health Research Council for annual grants and awards competitions.

EXPECTED RESULTS:

- Promotion of basic, clinical and applied research in health sciences in Manitoba.
- Analysis and assessment of priority health issues in Manitoba.

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
Grant/Transfer Payments		**1,952.6**		1,752.6
TOTAL SUB-APPROPRIATION		**1,952.6**[1]		1,752.6

1. Additional funding of $200.0 provided in 2003/04 through the MRIF transferred to 18-3B in 2004/05.

SUB-APPROPRIATION 18 – 3C
GRANT ASSISTANCE - INDUSTRIAL TECHNOLOGY CENTRE

The Industrial Technology Centre became a special operating agency on April 1, 1996. Refer to Section 5 for detailed information.

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
Grant/Transfer Payments		**450.0**		750.0
TOTAL SUB-APPROPRIATION		**450.0**[1]		750.0

Commencing with the 1996/97 fiscal year, the Industrial Technology Centre (ITC) was established as a special operating agency. The Centre formerly functioned as a part of the Economic Innovation and Technology Council. ITC will provide services to Energy, Science and Technology under contract in 2003/04. Please refer to Part five for ITC's detailed financial information.

1. Funding level decrease.

SUB-APPROPRIATION 18 - 3D
MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)

The Manitoba Education, Research and Learning Information Networks (MERLIN) is a special operating agency that provides distance education technology services for the Province.
Refer to Section 5 for detailed information.

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
OTHER EXPENDITURES				
Grant/Transfer Payments		**445.8**		445.8
TOTAL SUB-APPROPRIATION		**445.8**		445.8

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2004/2005** **$(000's)**	Estimates of Expenditure 2003/2004 (adjusted) $(000's)
18.4	4.	**MANITOBA INFORMATION and COMMUNICATION TECHNOLOGIES**	**22,797.0**	27,134.8

Develops a comprehensive e-strategy for the province building on strengths in our business, education and government community. Develops key information and communication technology (ICT) strategies, policies, standards and business processes to optimize the delivery of core ICT functions in support of service delivery goals.

Provides an information and communication technology environment within government where appropriate technologies are fully integrated with service delivery requirements. Provides an analytical framework for review and approval of all ICT plans, projects and expenditures.

a) Manitoba Information and Communication Technologies	**21,645.3**	25,999.7
b) Legislative Building Information Systems	**1,151.7**	1,135.1
	22,797.0	27,134.8

SUB-APPROPRIATION 18 - 4A
MANITOBA INFORMATION AND COMMUNICATION TECHNOLOGIES

OBJECTIVE:

Leads the creative and sustainable application of ICT to address the requirements of government and its citizens by providing technology leadership, structure, solutions and services.

ACTIVITY IDENTIFICATION:

- Develop, implement, and guide departmental compliance with a comprehensive ICT management framework encompassing policies, processes, standards.
- Define an enterprise-wide ICT architecture for government encompassing technology standards, directions, and practices.
- Develop and apply ICT investment and performance measurement framework to evaluate ICT investment proposals and to measure the impact of technology initiatives in government.
- Ensure government ICT-related procurement is coordinated, facilitate departmental access to technology products and services, and provide expert advice and guidance to purchasers.
- Develop approaches to organization, strategies, and planning to meet Health Information Technology requirements and ensure consistency with corporate needs and direction.
- Ensure that government receive maximum benefit from its corporate business application (SAP).
- Develop, maintain and support the government corporate ICT infrastructure to ensure that desktop services, data applications, and telecom and network management meet the current and future needs of government.
- Monitor and enhance the security of the government ICT infrastructure to ensure protection of the electronic data entrusted to the Manitoba Government by its citizens.

EXPECTED RESULTS:

- Establishment of key ICT strategies, policies, standards, and business processes, and optimized delivery of core ICT applications, technologies and services.
- Improvement of government programs and improved access to information through ICT.
- Aligned program planning and delivery requirements of the government to become more cost-effective, reduce duplication, and improve service levels to citizens.
- Meet the high expectations of Manitoba citizens and businesses by delivering information and services that are convenient, reliable and protected.
- Enhanced capability for the government to leverage and optimize the existing resources, ensuring appropriate accountability and financial control.

SUB-APPROPRIATION 18 - 4A
MANITOBA INFORMATION & COMMUNICATION TECHNOLOGIES

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	10.00	873.2	11.00	953.0
Professional/Technical	50.12	3,473.5	54.12	3,694.3
Administrative Support	14.00	536.0	14.00	520.8
Employee Benefits		524.1		540.6
	74.12	5,406.8	79.12	5,708.7
Less: Allowance for Staff Turnover		(282.9)		(287.3)
Total Salaries and Employee Benefits	74.12	5,123.9[1]	79.12	5,421.5
OTHER EXPENDITURES				
Transportation		80.0[2]		74.9
Communications		711.9[3]		680.5
Supplies and Services		11,096.6[4]		12,484.4
Other Operating		18,472.2[5]		17,965.3
Minor Capital		303.5[6]		334.9
Total Other Expenditures		30,664.2		31,540.0
TOTAL SUB-APPROPRIATION (GROSS)		35,788.1		36,961.5
Less: Recoverable from other appropriations		(14,142.8)[7]		(10,961.8)
TOTAL SUB-APPROPRIATION (Net)	74.12	21,645.3	79.12	25,999.7

1. Net decrease a result of ($5.2) salary accrual adjustment, ($16.5) employee benefits decrease and (438.1) reduction for positions, offset by $10.9 increase in normal salary adjustments, $145.6 general salary increase, $4.4 changes due to vacancy management and $1.4 increase for overtime.
2. Net increase of $5.1 in travel, due to general operating realignment from reorganization.
3. Net increase $31.4 in communications, due to general operating realignment from reorganization.
4. Net decrease due to ($5.1) in supplies and services due to general operating realignment from reorganization, ($117.3) decrease in lease agreements, ($105.4) ACRS (lease space) adjustments, and ($1,160.0) reduction in professional services.
5. Net increase due to $631.9 in computer related costs, offset by a ($125.0) reduction in information technology research services.
6. Net decrease of ($31.4) due to general operating realignment from reorganization.
7. Net increase of ($3,181.0) due to information, communication and telecommunication related services.

SUB-APPROPRIATION 18 - 4B
LEGISLATIVE BULDING INFORMATION SYSTEMS (LBIS)

OBJECTIVES:

To provide a secure technological environment with highly responsive support services and reliable systems that address business requirements of diverse users in the Legislative Building.

The user community encompasses both government and non-government staff. Government staff includes Executive Council, Ministers' and Deputy Ministers' offices, Treasury Division, and departmental staff work in the building. Non-government staff includes the Legislative Assembly offices of the Speaker and the Clerk, the Leaders of the Opposition, and Caucus offices.

ACTIVITY IDENTIFICATION:

- To direct and plan Information Technology initiatives in the Legislative Building;
- To develop and implement security strategies that monitor intrusions, detect viruses and enable recovery from disasters;
- To provide desktop management services including help desk support, requirements analysis, purchasing and asset management;
- To manage the server and communications infrastructure;
- To analyse, implement and support business applications; and
- To provide consulting and project management services on outsource initiatives.

EXPECTED RESULTS:

- A computing environment that is in line with best practices in operations and security;
- Continued migration of desktop and server hardware and software to latest computing standards in order to maintain a reliable and secure systems environment; this includes the Caucus computing environments as well as the government and Legislative Assembly;
- Enhancements to a corporate web-based issues tracking application system; implementation of external Users onto the system; and a major upgrade to the database server;
- Network access from the Chambers to the Legislative Building and Caucus servers as well as the Internet;
- Network access from Cabinet to information on Legislative Building servers;
- Implementation of applications for Legislative Assembly that will assist in the categorizing and searching of documents;
- Upgrade the Treasury Division computing environment to the latest hardware and software;
- Upgrades to major Treasury Division application systems; and
- Migration of all applications to thin client technology.

SUB-APPROPRIATION 18 - 4B
LEGISLATIVE BUILDING INFORMATION SYSTEMS (LBIS)

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	1.00	88.9	1.00	84.7
Professional/Technical	11.00	684.6	11.00	664.3
Administrative Support	1.00	43.6	1.00	41.6
Employee Benefits		87.6		91.4
	13.00	904.7	13.00	882.0
Less: Allowance for Staff Turnover		(35.2)		(35.3)
Total Salaries and Employee Benefits	13.00	869.5[1]	13.00	846.7
OTHER EXPENDITURES				
Transportation		1.0		1.0
Communications		16.0		16.0
Supplies and Services		87.2		87.0
Other Operating		178.0		184.4
Total Other Expenditures		282.2[2]		288.4
TOTAL SUB-APPROPRIATION	13.00	1,151.7	13.00	1,135.1

1. Net increase a result of $15.1 general salary increases, $3.1 salary accrual adjustment, $0.1 changes due to vacancy management, $5.1 increase for standby allowance, $12.6 increase for overtime, offset by ($9.3) decrease in normal salary adjustments and ($3.8) employee benefits increase.
2. Net decrease a result of a ($6.4) general operating reduction, offset by a $0.2 ACRS (lease space) adjustment.

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2004/2005** **$(000's)**	Estimates of Expenditure 2003/2004 (adjusted) $(000's)
18.5	5.	**AMORTIZATION AND OTHER COSTS RELATED TO CAPITAL ASSETS**	**8,073.1**	7,270.1
		Provides for costs related to capital assets.		
		a) Desktop Management Initiative	**0.0**	0.0
		b) Enterprise System	**0.0**	0.0
		c) Desktop Services	**93.1**	93.1
		d) Amortization Expense	**3,728.2**	2,926.8
		e) Interest Expense	**4,251.8**	4,250.2
			8,073.1	7,270.1

SUB-APPROPRIATION 18 - 5A, 5B, 5C, 5D, 5E
AMORTIZATION OF AND OTHER COSTS RELATED TO CAPITAL ASSETS

Commencing in 2001/2002, it is the policy of the Province of Manitoba to record in the accounts of the Province, the tangible capital assets owned and used by the Province along with appropriate amortization costs. Standard asset classes have been established by the Provincial Comptroller, along with capitalization thresholds and corresponding amortization rates. Consistent with this policy, this sub-appropriation records the costs associated with the amortization of the Department's share of the total estimated costs of the Desktop Management and Better Methods initiatives allocated to the Department, in the case of Desktop, on the basis of units acquired by the Department as a percentage of total units acquired by the Province and, in the case of Better Methods, by projected departmental use. A small amount is also included for the amortization of other departmental assets.

AMORTIZATION AND OTHER COSTS RELATED TO CAPITAL ASSETS

SUB-APPROPRIATION 18 - 5A, 5B, 5C, 5D, 5E
AMORTIZATION AND OTHER COSTS RELATED TO CAPITAL ASSETS

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
OTHER EXPENDITURES				
(5A) Desktop Management Initiative				
Government Wide Desktop costs		4,986.5		4,986.5
Less: Recoverable from other appropriations		(4,986.5)		(4,986.5)
(5A) - TOTAL SUB-APPROPRIATION		-		-
(5B) Enterprise System				
Amortization Expenses		3,447.6		3,447.6
Less: Recoverable from other appropriations		(3,447.6)		(3,447.6)
(5B) TOTAL SUB-APPROPRIATION		-		-
(5C) Desktop Services				
Amortization Expense - Hardware and Transition		20.5		20.5
Enterprise System Licences		72.6		72.6
(5C) TOTAL SUB-APPROPRIATION		93.1		93.1
(5D) TOTAL Amortization Expense		3,728.2[1]		2,926.8
(5E) TOTAL Interest Expense		4,251.8[1]		4,250.2
TOTAL SUB-APPROPRIATIONS		8,073.1		7,270.1

1. Increase in interest and amortization costs related to the department's capital investment.

PART 3

HISTORICAL INFORMATION

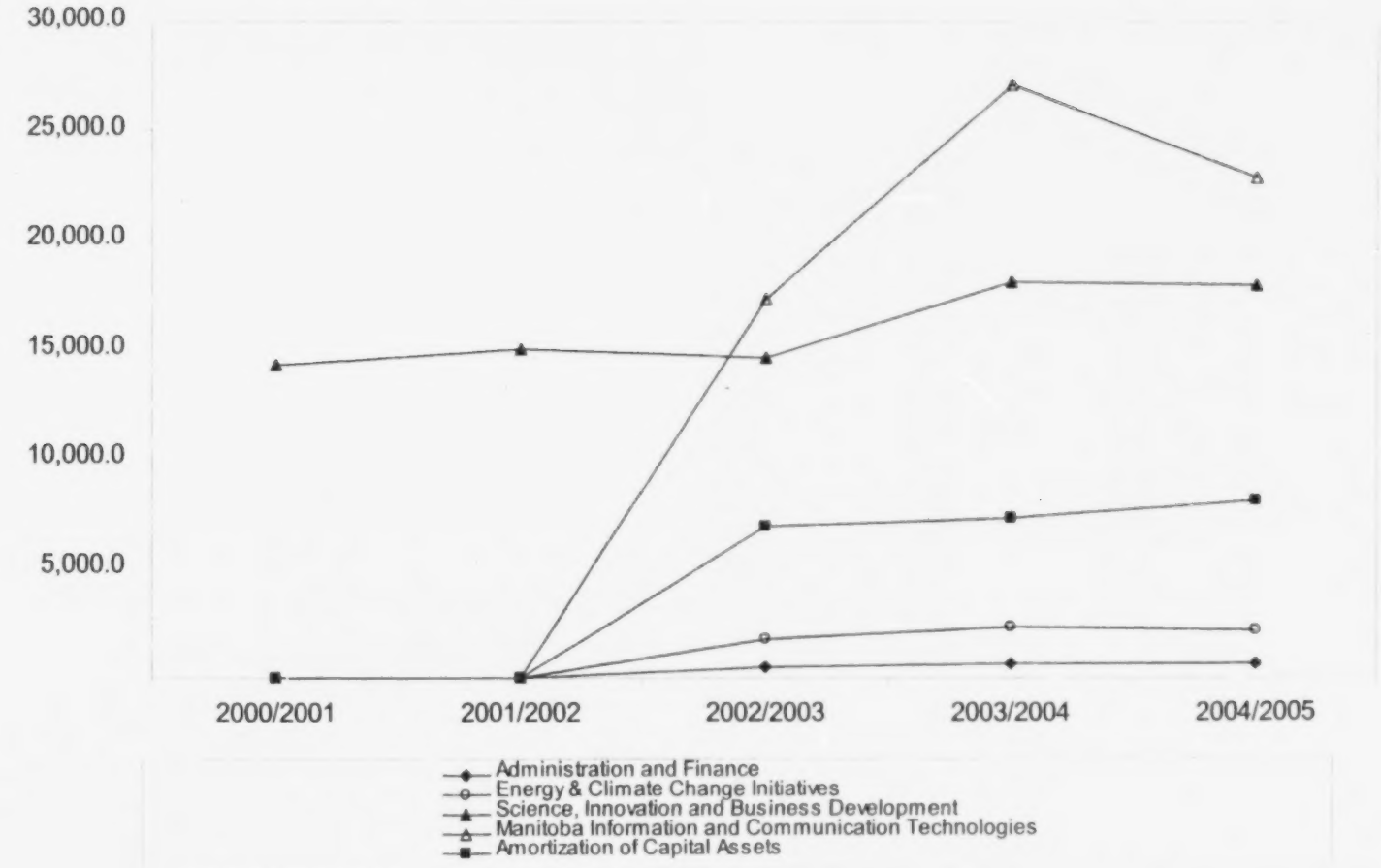
SCHEDULE 10

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
FIVE YEAR EXPENDITURES AND STAFFING SUMMARY BY APPROPRIATION ($000S)
FOR YEARS ENDING March 31, 2001 - March 31, 2005

	ACTUAL/*ADJUSTED ESTIMATES OF EXPENDITURE						ADJUSTED ESTIMATES OF EXPENDITURE		PRINTED MAIN ESTIMATES OF EXPENDITURE	
	2000/2001		2001/2002		2002/2003		2003/2004		2004/2005	
	FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s
Administration and Finance					7.00	478.5	7.00	622.6	7.00	627.4
Energy & Climate Change Initiatives					18.00	1,793.9	18.00	2,322.2	15.00	2,159.7
Science, Innovation and Business Development	17.78	14,239.9	27.00	15,023.4	24.00	14,592.7	22.00	18,037.0	22.00	17,920.0
Manitoba Information and Communication Technologies					81.12	17,262.2	92.12	27,134.8	87.12	22,797.0
Amortization of Capital Assets						6,870.2		7,270.1		8,073.1
TOTAL	**17.78**	**14,239.9**	**27.00**	**15,023.4**	**130.12**	**40,997.5**	**139.12**	**55,386.7**	**131.12**	**51,577.2**

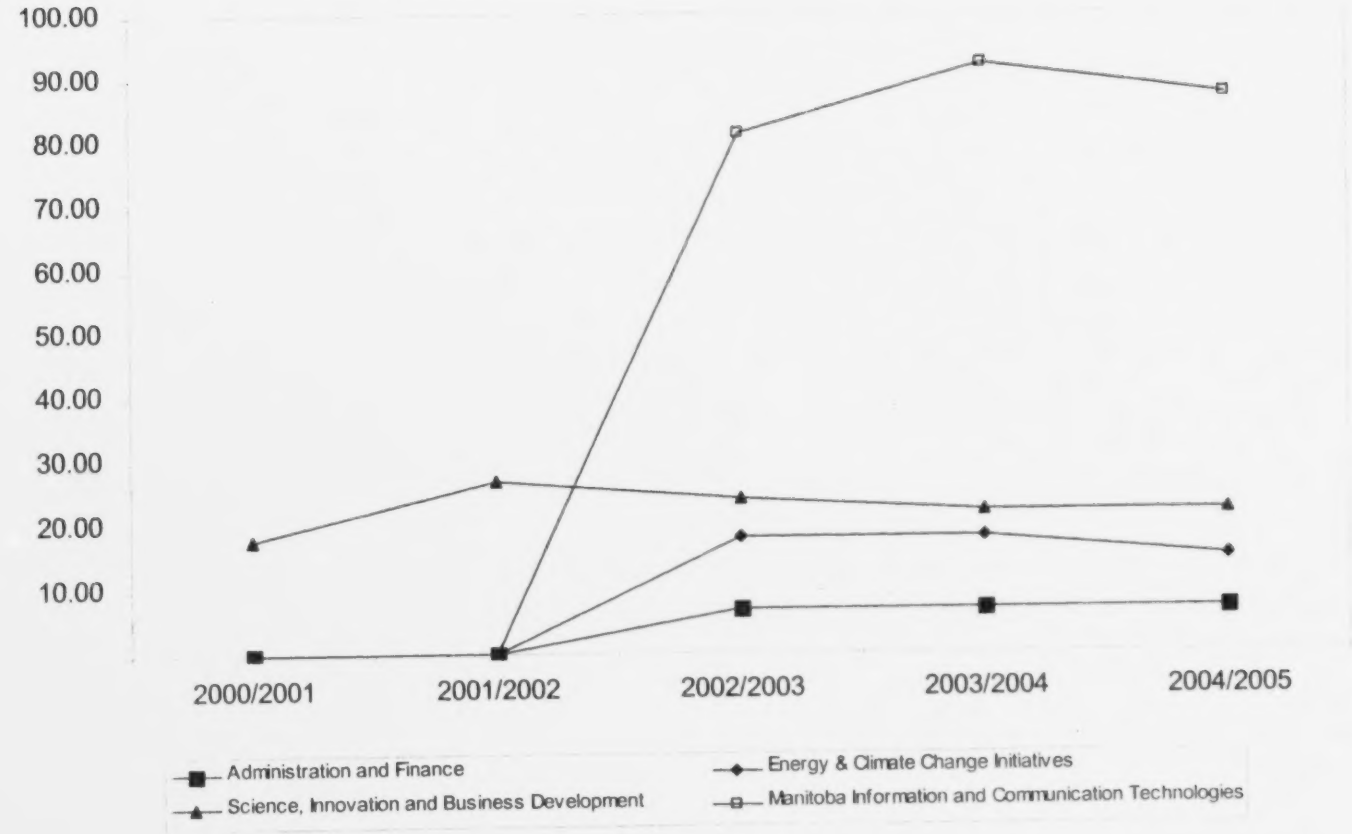
SCHEDULE 11

Five Year Expenditure History
By Operating Division ($000s)



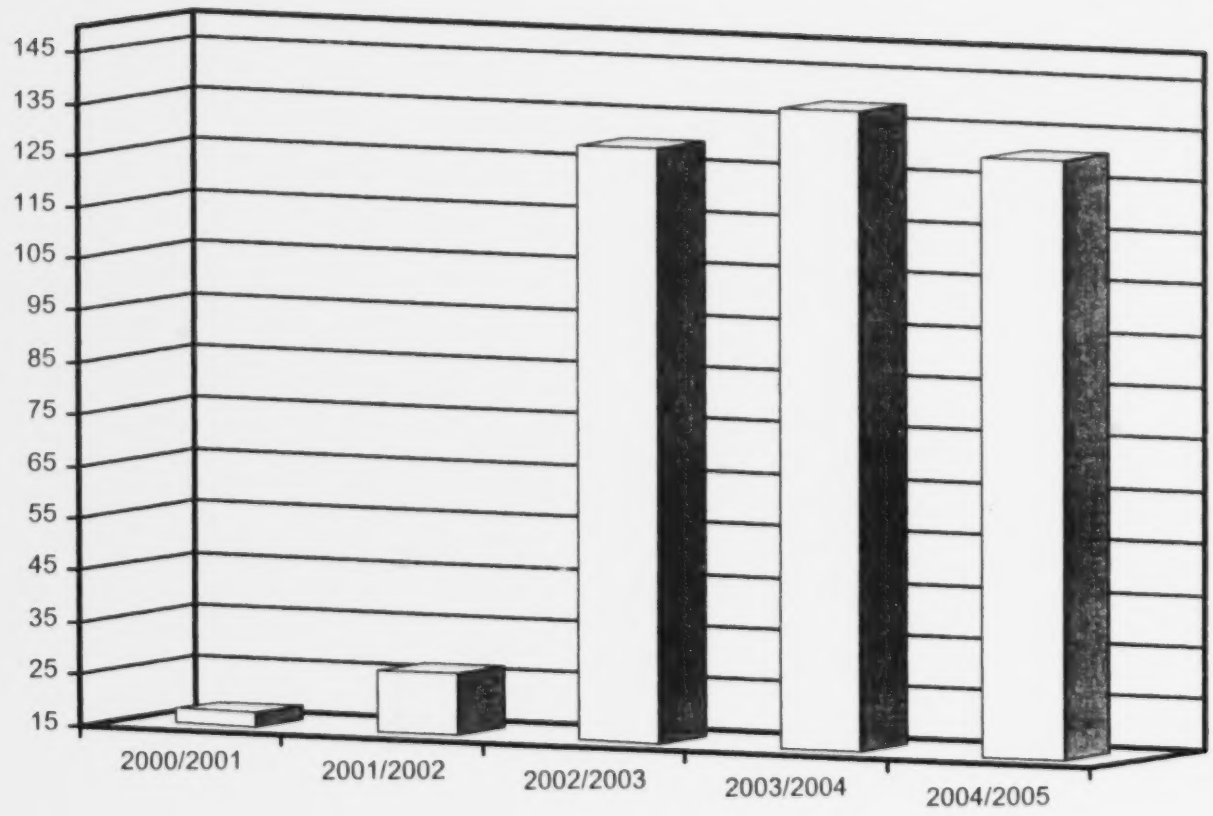
SCHEDULE 12

Five Year Expenditure History
By Operating Division (FTEs)



SCHEDULE 13

Five Year Staff History (By FTEs)



PART 4

CAPITAL INVESTMENT

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Capital Investment 2004/2005 $(000's)**	Estimates of Capital Investment 2003/2004 $(000's)
		CAPITAL INVESTMENT		
B.6	**6.**	Energy, Science and Technology	**5,080.0**	300.0
		Provides for further development of the government's enterprise system and for the acquisition, development or enhancement of other information technology projects.		
		a) Enterprise Systems	**2,280.0**	100.0
		b) Other Information Technology Projects	**2,800.0**	200.0
			5,080.0	300.0

SUB-APPROPRIATION B-6A
ENTERPRISE SYTEM

OBJECTIVES:

To provide further development of the government's enterprise system.

ACTIVITY IDENTIFICATION:

Improve the capabilities of the government's enterprise system.

EXPECTED RESULTS:

Improved capabilities of the government's enterprise system.

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
CAPITAL INVESTMENT				
Enterprise Systems		**2,280.0**		100.0
TOTAL SUB-APPROPRIATION		**2,280.0**[1]		100.0

1. Net increase of $2,180.0 to provide for further development of government's enterprise system.

SUB-APPROPRIATION B-6B
OTHER INFORMATION TECHNOLOGY PROJECTS

OBJECTIVES:

To provide for the acquisition, development and enhancement of the government's information and communication technologies.

ACTIVITY IDENTIFICATION:

Develop and enhance the government's information and communication technology environment.

EXPECTED RESULTS:

Improved information and communication technology environment for the government.

	Estimates of Expenditure 2004/2005		Estimates of Expenditure 2003/2004 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
CAPITAL INVESTMENT				
Other Information Technology Projects		**2,800.0**		200.0
TOTAL SUB-APPROPRIATION		**2,800.0**[1]		200.0

1. Increase of $577.0 for systems upgrade and an increase of $2,023.0 for further infrastructure enhancements.

PART 5

SPECIAL OPERATING AGENCIES

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)

MERLIN's mission is to support the use of technology in improving educational services to learners.

CRITICAL SUCCESS FACTORS

- Focus on the K-S4 system
- Focus on provincial services
- Improved access to MERLIN's services for rural and northern schools
- Pro-active planning

2004/05 KEY OBJECTIVES

Operational

- Aggregate demand across the province for hardware and software to provide better opportunities for all divisions.
- Provide services to rural and northern school divisions at costs similar to urban divisions to increase equity among all divisions.
- Collaboratively develop provincial standards across the K-S4 system for use of information technology that will result in higher reliability and lower costs.
- Provide training to school divisions to assist them in acquiring the skills required to sustain operations and enhance their own technology infrastructures.
- Deliver specific services directly to those divisions where the technical resources are unavailable.

Communications/Marketing

- Play a coordinating role in promoting a collaborative approach among school divisions in order to maintain standards and apply economies of scale.
- Continue to regularly meet, consult, discuss, and collaborate with the Department of Education, Citizenship and Youth and school divisions to strengthen ties between curriculum planning and technology supply.
- Continually assess client satisfaction.
- Build on our existing business relationships with suppliers to improve the range of connectivity options available to remote school divisions.

Services

- Provincial licensing/purchasing.
- Audio Conferencing (teleconferencing).
- Web Delivery.
- Internet.
- CyberSchools Education Portal
- Information Technology (networking, security and desktop).
- Technical training.
- Provincial technology standards.
- Distance Education support.

Program Thrusts and Direction

- Provide products and services in a manner which improves equity across the Province.
- Provide products and services that support self-sufficiency at the school division level.
- Facilitate and support improved communication between the Department of Education and Youth and school divisions in the area of learning technologies.
- In consultation with the Department of Education , Citizenship and Youth, provide support and direction in distance learning initiatives with a focus on the technology infrastructures required to deliver distance-learning opportunities.
- Support the goals of the Department of Energy, Science and Technology and the Department of Education, Citizenship and Youth.
- Be pro-active in embracing opportunities and fostering relationships to the advantage of the educational community.

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Balance Sheet
(in thousands)
As at March 31

Assets	Actual 2003	Budget 2004	Projections 2004	2005	2006	2007
Current Assets						
Cash	$ 503	$ 1,175	$ 862	$ 612	$ 371	$ 104
Accounts receivable	298	300	300	300	300	300
Prepaid expenses	49	50	50	50	50	50
	850	1,525	1,212	962	721	454
Receivable from Province of Manitoba	47	47	47	47	47	47
Capital Assets	343	222	227	129	53	13
Total Assets	$ 1,240	$ 1,794	$ 1,486	$ 1,138	$ 821	$ 514
Liabilities and Deficit						
Current Liabilities						
Working capital advance	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable and accrued liabilities	462	468	460	460	460	460
Unearned revenue	80	-	80	80	80	80
Trust liabilities	87	-	-	-	-	-
	629	468	540	540	540	540
Cyberschools	887	1,650	1,195	858	534	198
Severance liability	58	50	65	54	61	68
	1,574	2,168	1,800	1,452	1,135	806
Deficit						
Retained earnings (deficit)	(334)	(374)	(314)	(314)	(314)	(292)
Total Liabilities and Deficit	$ 1,240	$ 1,794	$ 1,486	$ 1,138	$ 821	$ 514

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Statement of Income and Deficit (in thousands)
For the years ending March 31

	Actual	Projections			
	2003	2004	2005	2006	2007
Revenue					
Province of Manitoba – ES&T funding	$ 445	$ 446	$ 446	$ 446	$ 446
Fee for service	2,180	2,184	2,274	2,281	2,313
Other	2	18	5	5	5
Cyberschools	1,493	567	337	324	336
Total revenue	4,120	3,215	3,062	3,056	3,100
Expenses					
Advertising and promotion	10	25	22	22	22
Amortization	124	123	98	76	40
Audit and legal fees	23	27	10	10	10
Bad debts	2	2	2	2	2
Communication	281	179	239	240	241
Conferences	-	33	30	30	30
Cost of purchases for resale	1,119	1,211	1,231	1,239	1,263
Cyberschools	1,493	567	337	324	336
Equipment repair and maintenance	58	79	77	80	83
Interest and insurance	13	2	3	3	3
Memberships	5	1	1	1	1
Occupancy costs	54	54	52	52	52
Office	19	19	20	20	20
Professional development	14	20	20	20	20
Salaries and benefits	809	823	890	907	925
Travel	36	30	30	30	30
Total expenses	4,060	3,195	3,062	3,056	3,078
Net income (loss) for the year	60	20	-	-	22
Surplus (deficit) at beginning of period	(394)	(334)	(314)	(314)	(314)
Surplus (deficit) at end of period	$ (334)	$ (314)	$ (314)	$ (314)	$ (292)

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Statement of Cash Flows (in thousands)
For the years ending March 31

	Actual 2003	Budget 2004	Projections 2004	2005	2006	2007
Cash Derived From (Applied To)						
Operating						
Net Income (loss)	$ 60	$ 20	$ 20	$ -	$ -	$ 22
Amortization	124	114	123	98	76	40
	184	134	143	98	76	62
Change in:						
Accounts receivable	(6)	(25)	(2)	-	-	-
Prepaid expenses	1	(25)	(1)	-	-	-
Accounts payable	241	65	(2)	-	-	-
Unearned revenue	41	-	-	-	-	-
Trust liability	(22)	-	(87)	-	-	-
	439	149	51	98	76	62
Investing						
Capital assets	(112)	(74)	(7)	-	-	-
Financing						
Cyberschools	887	1,650	308	(337)	(324)	(336)
Severance liability	6	-	7	(11)	7	7
	893	1,650	315	(348)	(317)	(329)
Net increase (decrease) in cash	1,220	1,725	359	(250)	(241)	(267)
Cash - beginning of year	(717)	(550)	503	862	612	371
Cash - end of year	$ 503	$ 1,175	$ 862	$ 612	$ 371	$ 104

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Statement of Earnings and Deficit by Program (in thousands)
For the years ending March 31

	Actual	Budget	Projections			
	2003	2004	2004	2005	2006	2007
Revenue (by Program)						
Provincial licencing and purchasing	$ 1,337	$ 1,400	$ 1,378	$ 1,450	$ 1,478	$ 1,506
Cyberschools	1,493	501	567	337	324	336
Internet services	338	300	300	405	380	380
Information technology services	293	240	290	305	305	305
Provincial technology standards	200	200	200	100	100	100
Electronic conferencing	203	175	204	205	209	213
Web delivery services	215	185	190	190	190	190
Technical training services	39	70	68	65	65	65
Total revenue	4,118	3,071	3,197	3,057	3,051	3,095
Expenses (by Program)						
Provincial licencing and purchasing	1,288	1,425	1,336	1,394	1,403	1,426
Cyberschools	1,493	501	567	337	324	336
Internet services	497	360	390	522	513	496
Information technology services	298	240	274	285	288	288
Provincial technology standards	177	200	200	100	100	100
Electronic conferencing	148	155	175	179	181	183
Web delivery services	137	130	175	184	186	187
Technical training services	20	40	60	56	56	57
Total expenses	4,058	3,051	3,177	3,057	3,051	3,073
Net Contribution (by Program)						
Provincial licencing and purchasing	49	(25)	42	56	75	80
Cyberschools	-	-	-	-	-	-
Internet services	(159)	(60)	(90)	(117)	(133)	(116)
Information technology services	(5)	-	16	20	17	17
Provincial technology standards	23	-	-	-	-	-
Electronic conferencing	55	20	29	26	28	30
Web delivery services	78	55	15	6	4	3
Technical training services	19	30	8	9	9	8
Total net contribution	60	20	20	-	-	22
Surplus (deficit) at beginning of period	(394)	(394)	(334)	(314)	(314)	(314)
Surplus (deficit) at end of period	$ (334)	$ (374)	$ (314)	$ (314)	$ (314)	$ (292)

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Pro Forma Financial Statements (in thousands)
For the years ending March 31

1. NATURE OF ORGANIZATION

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. Effective September 25, 2002, the Agency operates as part of Energy, Science and Technology, under the general direction of the Deputy Minister.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	20%
Computer software	20%
Equipment and furniture	20%

In the period of acquisition, amortization is calculated at one-half the rate indicated.

3. RECEIVABLE FROM THE PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to designation as a Special Operating Agency and for severance pay benefits prior to March 31, 1998. This receivable, or portion thereof, for the Agency will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency. The balance consists of:

Vacation entitlements	$ 19
Severance pay benefits	28
	$47

4. WORKING CAPITAL ADVANCES

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million.

5. CYBERSCHOOLS

MERLIN has entered into an agreement with Community Connections to develop, implement and operate a province-wide communication gateway/portal to support K-S4 education and Community Connections lifelong learners. The service will include access to secure email, calendars, and file storage.

Receipts and disbursements are as follows:

	Actual	Projections			
	2003	2004	2005	2006	2007
Deferred balance – BOY	$ -	$ 887	$ 1,195	$ 858	$ 534
Receipts	2,380	875			
Disbursements	(1,493)	(567)	(337)	(324)	(336)
Deferred balance – EOY	$ 887	$ 1,195	$ 858	$ 534	$ 198

6. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $28 was completely offset by a receivable from the Province.

7. COMMITMENTS

The Agency has entered into a lease agreement for the rental of office space. The lease, expiring on September 30, 2006, requires annual lease payments of $52.

THE INDUSTRIAL TECHNOLOGY CENTRE

BACKGROUND

The Industrial Technology Centre (ITC) was established in 1979 and commenced operations as a Special Operating Agency (SOA) on April 1, 1996. ITC was initially managed by the Manitoba Research Council (1979 to 1991), and then became the responsibility of the Economic Innovation and Technology Council (EITC, 1992 to 1996). In FY 96/97, ITC became an SOA of the Province of Manitoba and now operates under Manitoba Energy, Science and Technology (ES&T).

VISION

To be recognized as the best resource for solving technical issues for the benefit of Manitoba.

RESPONSIBILITY

ITC provides a wide range of technical services in support of technology-based economic development out of 21,000 square feet of leased premises. ITC customers primarily include Manitoba companies from various industrial sectors, as well as government agencies. ITC services are provided on a fee for service basis and under the Economic Development Contribution Agreement (the EDCA is a performance contract with ES&T that supports ITC for its contribution to economic development activities in Manitoba). Some fee for service revenues are derived from contracts outside Manitoba and Canada.

ITC's services are categorized as:

- Technical Information and Advisory Services
- Engineering
- Document Examination Services (DES)
- Virtual Reality Centre (VRC)

The breadth of staff expertise makes ITC a unique technical facility. ITC offers a wide range of technical services that complement each other (we provide a "one-stop shop"). By virtue of service lines that are not mutually exclusive, ITC engineers and technicians regularly collaborate on projects to provide customers with the best possible service and technical solutions. ITC's core staff level for FY 2004/2005 is 23.

PERFORMANCE MEASUREMENT

ITC has always played a role in fostering economic growth in Manitoba by virtue of the services it provides to its customers. A diverse range of in-house expertise enables ITC to assist Manitoba individuals and companies in many capacities, from converting a concept to a marketable product or service to establishing infrastructure that contributes to their growth.

The Economic Development Contribution Agreement (EDCA performance contract) between ITC and Manitoba Energy, Science and Technology provides the framework and opportunity for ITC to measure and report upon the results and public policy benefits of its services. Under the terms of this agreement, ES&T supports ITC for its economic development activities.

ITC's technical and advisory services are expected to generate the following public policy benefits:

- Increased awareness, availability and utilization of new technologies to help companies remain competitive.
- Provision of testing services to assist companies with international standards compliance.
- Provision of access to high quality technical services otherwise not readily available to Manitoba companies.

ITC engaged an external research organization that conducted independent client surveys to capture economic impacts during the past year. The results of these surveys are summarized as follows:

Category	Impact of ITC Services
New Jobs Created	**19**
Jobs Saved/Maintained	**262**
The total of 281 jobs created or saved represents $10.0 million in wages based on an average annual manufacturing salary of $35,678 (July 2003, Manitoba Bureau of Statistics).	
Sales Increase	**$2.0 million**
Cost Savings Identified	**$6.0 million**
Investment Increases	**$3.1 million**
Influence on client objectives	**91% of respondents reported that ITC had a positive impact on their organization.**

These results are compiled from the responses of 78 individuals representing a sample of ITC clients (71 clients). No attempt has been made to extrapolate the impacts for ITC's entire project client base (approximately 270 clients).

These impacts are summarized from respondents where they were able to quantify the impact of ITC services. The remaining respondents were unable to quantify these impacts and preferred to provide either a percentage increase or an anecdotal response (these responses are not included in the above table).

The total economic impacts of ITC operations are expected to be higher than those summarized here because of the respondents' difficulty in quantifying these impacts. Furthermore, only a sample of ITC clients was surveyed.

Since ITC has been capturing economic impacts, the following outcomes have been reported by clients (financial results in millions):

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	Total Impacts
Jobs created or saved	14	4	13	12	138	861	1,254	281	2,577
Increased sales	$5.7	$14.3	$17.3	$1.2	$2.3	$1.6	$12.0	$2.0	$56.4
Increased investment	$1.6	$37.2	$2.1	$1.2	$35.0	$6.0	$3.5	$3.1	$89.7
Cost savings	$4.0	$2.8	$1.3	$0.3		$0.6	$2.6	$6.0	$17.6
Other financial impacts			$5.9	$3.7					$9.6
Customer satisfaction	74%	90%	100%	95%	94%	91%	94%	96%	
Influence on client objectives	100%	100%	94%	91%	100%	99%	93%	91%	

Financial results since becoming an SOA in FY 96/97 are as follows ($000s):

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04 (Projected)	Total
Fee for service	1,311	1,451	1,665	1,926	2,165	2,255	2,009	1,780	1,312	
EDCA	1,143	1,043	905	887	851	765	750	750	750	
Savings to Government[1]		100	238	256	292	378	393	393	393	2,443

[1] Note: Savings to Government represents the reduction in EDCA funding as compared to the base year FY 1995/1996 (which is the year prior to becoming an SOA).

Projected Balance Sheet
As at March 31

(In Thousands)	Actual 2003	Budget 2004	Budget 2005	Projection 2006	Projection 2007
Assets					
Current					
Cash and funds on deposit with Minister of Finance	$ 762	$ 804	$ 525	$ 552	$ 617
Accounts receivable	126	230	200	210	220
Prepaid expenses	25	22	25	25	25
	913	1,056	750	787	862
Due from Province of Manitoba (Note 5)	103	103	103	103	103
Capital assets (Notes 2 and 4)	672	559	464	419	388
	$ 1,688	$ 1,718	$ 1,317	$ 1,309	$ 1,353
Liabilities					
Current					
Accounts payable and accrued liabilities	$ 259	$ 265	$ 265	$ 265	$ 265
Severance liability (Note 5)	160	189	175	195	215
	419	454	440	460	480
Equity					
Contributed Equity (Note 6)	62	62	62	62	62
Retained Earnings	1,207	1,202	815	787	811
	1,269	1,264	877	849	873
	$ 1,688	$ 1,718	$ 1,317	$ 1,309	$ 1,353

Projected Statement of Earnings and Retained Earnings
For the Years Ending March 31

(In Thousands)	Actual 2003	Budget 2004	Budget 2005	Projection 2006	Projection 2007
Revenue					
Province of Manitoba	$ 750	$ 750	$ 450	$ 750	$ 750
Fee for service	1,780	1,535	1,396	1,457	1,536
Other	18	5	30	30	30
	2,548	2,290	1,876	2,237	2,316
Operating expenses					
Advertising and promoticn	33	70	66	67	69
Amortization	188	172	152	145	131
Audit and legal	5	8	6	6	6
Bad debts	1	14	14	14	15
Building maintenance	54	48	49	50	51
Computer	7	16	12	12	12
Equipment	24	57	33	33	34
Fees and memberships	26	21	28	18	19
Heat and utilities	36	35	36	37	37
Insurance	50	52	67	68	70
Library operations	32	30	27	28	28
Loss on disposal	5				
Office	62	62	52	52	52
Professional development	23	32	20	21	21
Project supplies and subcontract	99	74	51	52	53
Purchased services	26	10	10	10	10
Rent and property tax	114	121	122	122	123
Salaries and benefits	1,712	1,428	1,472	1,501	1,531
Travel	46	40	29	29	30
	2,543	2,290	2,246	2,265	2,292
Net earnings (loss)	5	-	(370)	(28)	24
Retained earnings at beginning of period	1,202	1,202	1,185	815	787
Retained earnings at end of period	$ 1,207	$ 1,202	$ 815	$ 787	$ 811

Projected Statement of Changes in Cash Resources
For the Years Ending March 31

(In Thousands)	Actual 2003	Budget 2004	Budget 2005	Projection 2006	Projection 2007
Cash derived from (applied to):					
Operating activities					
Net earnings	$ 5	$ -	$ (370)	$ (28)	$ 24
Items not involving cash					
Amortization	188	172	152	145	131
Loss on disposal	5	-	-	-	-
	198	172	(218)	117	155
Changes in non-cash working capital balances					
Accounts receivable	271	-	-	(10)	(10)
Prepaid expenses	1	-	-	-	-
Accounts payable	(249)	20	20	20	20
	221	192	(198)	127	165
Investing activities					
Acquisition of capital assets	(17)	(54)	(90)	(100)	(100)
Financing activities	-	-	-	-	-
Net increase (decrease) in cash	204	138	(288)	27	65
Cash at beginning of period	558	666	813	525	552
Cash at end of period	$ 762	$ 804	$ 525	$ 552	$ 617

Notes to the Projected Financial Statements
For the years ended March 31
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Energy, Science and Technology under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Energy, Science and Technology defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write-off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	20%, straight-line

Notes to the Projected Financial Statements
For the years ended March 31
(In Thousands)

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300.

4. Capital Assets (Net Book Value)

	Actual 2003	Budget 2004	Budget 2005	Projection 2006	Projection 2007
Furniture and fixtures	$ 2	$ 1	$ 1	$ 1	$ 1
Equipment	399	340	350	370	376
Computer equipment and software	232	188	93	38	10
Leasehold improvements	39	30	20	10	1
	$ 672	**$559**	**$464**	**$419**	**$388**

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

An actuarial valuation report of ITC's severance as at March 31, 2000 has been completed. The report provides a formula to update the liability on an annual basis. ITC's liability has been calculated in accordance with this formula.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

Notes to the Projected Financial Statements
For the years ended March 31
(In Thousands)

7. Commitment

The Agency has entered into a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease, expiring on March 31, 2005, requires future lease payments as follows:

2005	$ 91

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

PART 6

GLOSSARY

Cost Element

A cost element is a classification of expenditures according to the nature of expense such as salaries, supplies and services, etc., which identifies the object of expenditure out of appropriation funds. The government accounting system tracks expenditures according to the following cost element groups:

Cost Element Group	Components
Salaries	Regular Earnings, Other Earnings (overtime, shift premium), Minister Members of the Legislative Assembly, Fringe Benefits, Other (Wo Compensation Allowance, Supplement), Health and Education Tax Benefit Chargeback.
Grants/Transfer Payments	Discretionary Grant, Nondiscretionary Grant, Transfer Payment, Val Allowance, Capital Grant.
Transportation	Vehicles, Aircraft, Other (taxi, bus, freight, rail), Travel Agency Freight/Courier.
Communication	Telephone, Electronic Communication Services, Postal Se Advertising/Program Promotion, Radio Systems, Other.
Supplies and Services	Operating Supplies, Materials, Office Supplies, Maintenance, Other Se Rentals, Professional Services, Utilities, Other Fees.
Public Debt	Credit/Debit Card Fees, Gain/Loss on Foreign Exchange, Interest on Discount on Debt, Amortization - Debt, Interest Charges, Other Charges.
Minor Capital	Land, Buildings, Vehicles, Machinery & Equipment, Computers, Fur Leasehold Improvements, Loss on Sale of an Asset, Amortization Expen
Other Operating	Accommodations, Food and Beverage, Computer Related Charges, Insu Costs, Publications, Allowances and Other Financial Compensation, Personnel Costs (relocation/transfer costs), Other Operating (memb fees, hospitality, employee training, uniforms, conference/conv registration fees, incidental allowances), Imputed Surcharges.
Financial Assistance and Related Costs	Consumables on Behalf of Citizens (Clothing, Food, Drugs), Fee Services, Shelter, Transportation, Special needs, Direct Assistance Paym indirect Assistance Payments.

Employee Benefits

Costs incurred by government for its contributions to the Employment Insurance Program, Canada Pension Plan, Group Life Insurance Plan, Ambulance, Hospital Semi-Private Plan, as well as costs related to pension liability for new employees, and payments made under the Dental Plan, Long-Term Disability Plan, and Levy for Health and Post Secondary Education.

Estimates of Expenditure (Adjusted)

A re-alignment of the previous year's estimates of expenditure for any organizational change to provide for more accurate and realistic comparisons from one budget year to the next.

Full Time Equivalent

A measurement for number of positions. Every full-time regular position represents one full-time equivalent position. Other categories (e.g., term, departmental, sessional, contract) are measured in proportional equivalents, e.g., a program with a vote of 1.50 term FTE could hire staff in any combination that results in a total of 1½ years (or 78 weeks) of employment (e.g., 6 staff for 3 months (13 weeks) each; 2 staff for 9 months (39 weeks) each; 1 full time and 1 half time staff for 1 year; 3 half time staff for 1 year, etc.).

For further information related to staffing, please refer to the Civil Service Commission's intranet website (HR Personnel/Guides/SAP - HR Data Standards).

Staff Categories
Managerial

Positions which have been delegated the authority and have the responsibility to plan, administer, and control the resources and activities of a defined organizational unit in the Manitoba Government and are directly and fully accountable for:

- the utilization of resources in achieving planned objectives including the development of a budget and the initiation and authorization of expenditures; and,
- the organization's results and impacts.

Professional/Technical

Employees who have duties that relate to specific areas of program operations requiring some functional specialization.

Included in this category are employees classified within the following components and/or series:

Education	Engineers (O.P.E.E.P.M.)
Health	Legal Aid Lawyers (L.A.L.A.)
Legal, Inspection and Regulatory	Crown Attorney (M.A.C.A.)
Physical Sciences	Doctors (M.M.A.)
Social Sciences	L.A.M.C. Staff
Trades, Operations and Services	Professional Officer Series
Personnel Officer Series	
Administration (with the exception of the Administrative Officer Series)	

NOTE: Those employees designated as managers and also classified within one of the above components or the excluded component shall be categorized only once, as managerial.

Administrative Support

Employees who have duties related to the provision of support and assistance to program operations.

Staff Turnover Allowance

An adjustment made to a salaries account to allow for attrition and staff turnover. It is a negative adjustment to enable the organization to more accurately display salary requirements.